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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER
Chairman
MARC SPITZER
Commissioner
WILLIAM MUNDELL
Commissioner
MIKE GLEASON
Commissioner
KRISTIN MAYES
Commissioner

Arizona Corporation Commission

DOCKETED

MAY 27 2005

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ARIZONA CORPORATION COMMISSION
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IN THE MATTER OF QWEST
COMMUNICATIONS CORPORATION'S
APPLICATION AND PETITION FOR
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE INTRASTATE
TELECOMMUNICATIONS SERVICES

DOCKET NO. T-02811B-04-0313

POST-HEARING SUBMISSION OF
QWEST COMMUNICATIONS
CORPORATION

On April 23, 2004, Qwest Communications Corporation d/b/a Qwest Long Distance ("QCC") filed an Application with the Arizona Corporation Commission ("ACC") requesting that its existing Certificate of Convenience and Necessity ("CC&N") be extended to include the authority to provide resold long distance service, resold local exchange service and facilities-based local exchange service, in addition to the facilities-based long distance authority previously granted under Decision No. 66612 (Dec. 10, 2003). On December 17, 2004, QCC filed a Supplement to its Application. The ACC's Hearing Division set the matter for a hearing to commence on March 23, 2005.

On February 23, 2005, the ACC's Utilities Division Staff ("Staff") filed its Report on QCC's Application and Petitions. QCC filed its Response to Staff's Report on March 16, 2005.

On May 13, 2005, Staff filed a supplement to its Report. On May 15, 2005, QCC filed a supplement to its Application limiting the scope of the authority sought to the

1 provision of local exchange service to Enterprise customers in Qwest Corporation's
2 ("QC") service territory. At the May 17th hearing, the Administrative Law Judge ("ALJ")
3 requested that QCC submit certain supplemental information subsequent to the
4 conclusion of the hearing. This information consists of the following:

- 5 1. Information concerning the Nebraska docket in which the Nebraska
6 Public Service Commission ("NPSC") lifted the restrictions on QCC
7 (i.e., the docket number, the date of the NPUC order at issue, and
8 verification of whether QC was a party to such docket.
- 9 2. A brief summary of the history of QCC's Washington CC&N.
- 10 3. A brief summary of the QCC's Wyoming CC&N.
- 11 4. A brief summary of the American Telephone complaint filed with
12 the Georgia Public Utilities Commission.
- 13 5. A brief summary of the generic Iowa Public Utilities Commission
14 rulemaking docket relative to the reporting of incumbent local
15 exchange carriers ("ILECs") who have an affiliated competitive
16 exchange carrier ("CLEC") operating in the same service territory.
- 17 6. Identify any incorrect factual statements contained in the two Staff
18 reports submitted in this docket.
- 19 7. Identify whether or not any other carriers have interconnection
20 agreements with QC that contain substantially similar terms and
21 conditions as those set forth in QCC's interconnection agreement
22 with QC.

23 Accordingly, QCC hereby submits this supplemental information in Exhibits 1 through 7
24 attached hereto and incorporated herein.
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26

1 RESPECTFULLY SUBMITTED this 27th day of May, 2005.

2
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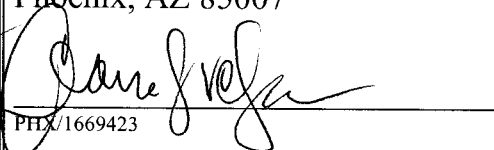
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EXHIBIT NO. 1

1. Provide certain information concerning the Nebraska docket in which the Nebraska Public Service Commission ("NPSC") lifted the restrictions on Qwest Communications Corporation ("QCC") (i.e., the docket number, the date of the NPSC order at issue, and verification of whether Qwest Corporation ("QC") was a party to such docket.

The restriction from the 1998 Docket No. C-1839 (which would have limited QCC, in QC incumbent territory, to serving multi-location customers with locations within and without QC incumbent territory) was lifted in Docket No. C-3335. NPSC Docket No. C-3335 was initiated in response to a QCC petition. QCC was a party, but not QC. As part of the resolution of Docket No. C-3335, the NPSC initiated a separate generic rulemaking docket ("Rule and Regulation No. 164"), which was applicable to all Nebraska local exchange carriers. The written comment and oral presentation portion of the Rule and Regulation No. 164 docket has been fully submitted to the NPSC for decision and a written order is expected shortly. Based on the comments and presentations of the participants, QCC currently expects that the new rule will apply equally to all incumbent local exchange carriers ("ILECs") which have affiliated competitive local exchange carriers ("CLECs") operating in their local service area(s). Under the anticipated new rule, the following requirements are expected to apply to the Qwest ILEC and CLEC companies: QC will be required to file all agreements between QC and QCC within 30 days of execution; QC must submit in its annual report to the NPSC the number of lines provided to QCC for resale; and QC must not discriminate in favor of QCC and against other CLECs.

EXHIBIT NO. 2

2. Briefly summarize the history of QCC's Washington CC&N.

On February 23, 1994, in Docket No. UT-940120, the Washington Public Utilities Commission ("WA-PUC") granted the application of Southern Pacific Telecommunications Company (QCC's predecessor) for registration as a telecommunications company providing long distance, private line, and 800 services in the State of Washington.

On December 27, 1995, in Docket No. UT-951450, the WA-PUC granted Southern Pacific's petition to make certain tariff changes effective on less than 30 days notice in order to change its name to Qwest Communications Corporation and to introduce several new services.

On June 4, 1996, in Docket No. UT-950150, the WA-PUC granted QCC's petition to be classified as a competitive telecommunications company. In so doing, the WA-PUC granted QCC the same competitive classification status as accorded all other CLECs, and granted to QCC a waiver of various statutes and rules in the same manner as granted to other CLECs. Finally, the WA-PUC authorized QCC to offer its services under price lists, not tariffs.

On March 31, 1999, in Docket No. UT-940120, the WA-PUC granted QCC's petition to amend its registration and competitive classification to allow it to offer "switched intraexchange and inter-exchange access services." Thus, QCC asked for and received authority to offer local exchange services as well as the long distance services it was previously authorized to provide. The price list that accompanied this petition (Price List #2), and which was also approved by the WA-PUC in this same order, contains service offerings which include the provision of local exchange services to business customers [there is a section for residential services, but the price list states that "service is currently not available" – all QCC would have to do to offer residential service is to file terms and

conditions for that service and they would automatically be effective on 10 days notice]. This Price List # 2 was in addition to the already-effective Price List # 1, which detailed the long distance offerings. As of today, Price List # 1 has been superseded by Price List # 3, and Price List # 2 remains in effect. Since QCC was already a competitively classified company, the additional services that were authorized in this docket were also competitively classified. Thus, as of the date of this order, QCC was authorized in Washington to provide both local and long distance services, under the same terms and conditions as other CLECs.

On May 26, 1999, in Docket No. UT-940120, the WA-PUC further authorized QCC to offer prepaid calling card services. The WA-PUC expressly stated that QCC was not authorized to provide alternative operator services.

EXHIBIT NO. 3

3. Provide a brief summary of the QCC's Wyoming CC&N, including a copy of the Wyoming Public Utilities Commission ("WY-PUC") decision approving it.

2003: QCC asked for authority to resell local exchange services in QC exchanges on August 15, 2002; WY-PUC granted the request on January 10, 2003 in Docket No. 70099-TA-02-1.

2004: On July 12, 2004, QCC asked for authority to provide concurrent local exchange telecommunications services in all of Wyoming, the addition of resale services outside QC's local service area in Wyoming, and facilities-based local exchange services in those Wyoming exchanges served by QC. On October 11, 2004, the WY-PUC approved the requested QCC amendment and the expansion of its current certificate in Docket No. 70099-TA-02-1, to include the provision of resold and facilities-based local exchange telecommunications services in all of the Wyoming telephone exchanges currently served by incumbent local exchange companies, and to provide facilities-based local exchange telecommunications services in the Wyoming telephone exchanges of QC.

EXHIBIT NO. 4

4. Briefly summarize the American Telephone complaint filed with the Georgia Public Utilities Commission ("GPUC").

American Phone Services ("APS") was a wholesale customer of QCC reselling QCC long distance services for approximately 8 months in 1999 and 2000. QCC terminated service for non-payment and various business disputes arose between the parties. APS commenced litigation in Georgia federal district court and pursuant to the terms of the resale contract, QCC filed a motion to compel arbitration of the parties' disputed claims in Colorado. The judge in the Georgia federal court granted the motion and stayed the case until completion of the arbitration. Recently, APS filed another related lawsuit against QCC in Ohio federal district court. The Georgia federal district court then entered an order enjoining APS from further prosecution of that case while the original stay is in place. APS has filed an emergency appeal of that order to the 11th Circuit Court of Appeals, which is pending.

EXHIBIT NO. 5

5. Briefly summarize the generic Iowa Utilities Board rulemaking docket concerning the reporting of incumbent local exchange carriers ("ILECs") who have an affiliated competitive exchange carrier ("CLEC") operating in the same service territory.

In April 2004, QCC applied for an amendment to its competitive local exchange carrier ("CLEC") certificate in Iowa that would allow it to provide service inside the QC local exchange service territory. QCC had previously applied for and had been granted local exchange carrier authority to serve outside QC territory in 2003, but had not previously requested to serve inside QC territory.

In December 2004, the Iowa Utilities Board granted QCC's application. At the same time, the Board indicated that it would initiate a general rulemaking, applicable to not just QC, but any company with an affiliated incumbent local exchange carrier ("ILEC") and an affiliated CLECs serving the same territory, to address information the Board believed it would need in order to monitor potentially discriminatory or anticompetitive activities. The rulemaking was opened in 2005, and after parties commented, the Iowa Utilities Board adopted the rules it proposed in its initial order commencing the rulemaking. Those rules require "any ILEC that provides service in the same service territory as a CLEC with which it is affiliated" to provide certain information.

First, the ILEC is required to file all commercial agreements, not just interconnection agreements, between the ILEC and the affiliated CLEC "as they are made." Second, the ILEC must file as part of its annual report the following information:

- a. The number of local numbers ported by the ILEC to nonaffiliated CLECs.
- b. The number of local numbers ported by the ILEC to its affiliated CLEC.

- c. The number of unbundled network element loops (UNE-Ls) provided by the ILEC to nonaffiliated CLECs.
- d. The number of UNE-Ls provided by the ILEC to its affiliated CLEC.
- e. The number of unbundled network element platforms (UNE-Ps), or their equivalent, provided by the ILEC to nonaffiliated CLECs.
- f. The number of UNE-Ps, or their equivalent, provided by the ILEC to its affiliated CLEC.
- g. The number of resale access lines provided by the ILEC to nonaffiliated CLECs.
- h. The number of resale access lines provided by the ILEC to its affiliated CLEC.
- i. The number of central office collocation sites provided by the ILEC to nonaffiliated CLECs.
- j. The number of central office collocation sites provided by the ILEC to its affiliated CLEC.

EXHIBIT NO. 6

6. Identify any incorrect factual statements contained in the two Staff reports submitted in this docket.

QCC does not believe that Staff's Report of February 23, 2005, or Staff's Supplemental Report of May 13, 2005, contain any factual misstatements as such. To the extent the ALJ views Staff's analysis of and statement of concerns with respect to QCC's provision of service to residential and small business customers in QC's service territory as contrary to the public interest as statements of fact, QCC disputes any such analysis and conclusions. With respect to Staff's Supplemental Report, QCC agrees with Staff's analysis "that the Enterprise Market is highly competitive" and that the potential impact of permitting QCC to provide service to Enterprise customers in QC's service territory "... appear(s) to have more upside than downside." Staff Supplemental Report at 2 & 3. Because QCC has narrowed its application to seek authority for the provision of local exchange services only to enterprise customers in QC's service territory, Staff's analysis and concerns about QCC's provision of service to small business customers and residential customers are no longer relevant, and QC will not address those concerns here. Notwithstanding the foregoing, QCC does not agree that the competitiveness of markets is an appropriate condition or factor to be considered in the granting of a CC&N.

Finally, QCC reiterates its statements in its Response to Staff's Report, which QCC filed on March 16, 2005. In particular, and not by way of limitation, Qwest disagrees with Staff's descriptions of authorities cited in its initial Report at Pages 8 and 9, Staff's assertions regarding competition in the markets for telephone services in Arizona, and Staff's assertions about discriminatory or anti-competitive conduct by QC in relationship to its dealings with its affiliates.

EXHIBIT NO. 7

7. Identify whether or not any other carriers have interconnection agreements with QC that contain substantially similar terms and conditions as those set forth in QCC's interconnection agreement with QC.

The standard SGAT terms and conditions and the QC/QCC interconnection agreement are identical, excepting the treatment of reciprocal compensation. With regard to reciprocal compensation, the QC/QCC interconnection agreement is, however, similar to other SGAT agreements negotiated with various CLECs in that it includes Bill and Keep as its reciprocal compensation mechanism. The following chart indicates those carriers with agreements including Bill and Keep as their form of reciprocal compensation. As indicated therein, QCC's agreement is identical to the agreement reached with IDT America Corp.

CO-PROVIDER NAME	CONTRACT NUMBER	EFFECTIVE DATE	EXPIRATION DATE	SGAT VERSION	SGAT VERSION DATE
Comm South Companies	CDS-020731- 0020	8/18/2003	8/18/2006	13 th	6/28/2002
Cypress Communications Operating Company	CDS-030603- 0007	10/20/2003	10/20/2006	13 th	6/28/2002
Excel Telecommunications Inc.	CDS-020528- 0009	11/05/2002	11/05/2005	11 th	3/29/2002
IDT America Corp.	CDS-030926- 0002	10/26/2003	1/26/2007	14 th	8/29/2003
QCC	CDS-040716- 0001	12/20/2004	12/20/2007	14 th	8/29/2003